

OFFICIAL FILE

C.C. DOCKET NO. W-2261

Applicant's Exhibit No. 4

Witness _____

Date 9/7/00 Reporter [Signature]

APPLICATION OF IES UTILITIES AND INTERSTATE POWER COMPANY
FOR AUTHORIZATION AND APPROVAL OF MERGER
INCOME STATEMENTS AT DECEMBER 31, 1999
AND PRO FORMA INCOME STATEMENT AT DECEMBER 31, 1999

	IES Utilities	IPC	Pro Forma
ELECTRIC			
Operating Revenues (400)	\$ 628,944,895	\$ 294,988,632	\$ 923,933,527
Operating Expenses			
Operation Expenses (401)	300,525,207	178,049,373	478,574,580
Maintenance Expenses (402)	44,608,117	15,811,812	60,419,929
Depreciation Expense (403)	84,424,683	30,266,012	114,690,695
Amort. & Depl. of Utility Plant (404-405)	5,432,114	476,072	5,908,186
Amor of Utility Plant Acq Adj	279,084		279,084
Amort Property Losses, Unrec Plant and Reg. Study Costs	895,584		895,584
Regulatory Debits	168,096	121,390	289,486
(Less) Regulatory Credits	(168,096)	(121,390)	(289,486)
Taxes Other Than Income Taxes (408.1)	43,351,668	14,281,355	57,633,023
Income Taxes - Federal (409.1)	39,758,519	14,055,906	53,814,425
- Other (409.1)	11,872,409	3,703,862	15,576,271
Provision for Deferred Income Taxes (410.1)	10,303,381	4,467,458	14,770,839
(Less) Provision for Deferred Income Taxes Cr	(10,028,645)	(3,816,720)	(13,845,365)
Investment Tax Credit Adj. - Net (411.4)	(2,436,756)	(984,045)	(3,420,801)
(Less) Gains from Disposition of Allowances	(168,096)	(121,390)	(289,486)
Total Operating Expenses	528,817,269	256,189,695	785,006,964
Net Operating Income - Electric	100,127,626	38,798,937	138,926,563
GAS			
Operating Revenues (400)	148,835,561	48,243,587	197,079,148
Operating Expenses			
Operation Expenses (401)	125,092,110	38,477,712	163,569,822
Maintenance Expenses (402)	2,559,775	907,509	3,467,284
Depreciation Expense (403)	7,669,210	2,495,721	10,164,931
Amort. & Depl. of Utility Plant (404-405)	483,471	21,602	505,073
Taxes Other Than Income Taxes (408.1)	4,664,268	1,203,233	5,867,501
Income Taxes - Federal (409.1)	3,513,594	2,399,936	5,913,530
- Other (409.1)	(358,606)	437,579	78,973
Provision for Deferred Income Taxes (410.1)	431,241	399,001	830,242
(Less) Provision for Deferred Income Taxes Cr	(3,392,998)	(1,387,909)	(4,780,907)
Investment Tax Credit Adj. - Net (411.4)	(121,200)	(51,545)	(172,745)
Total Operating Expenses	140,540,865	44,902,839	185,443,704
Net Operating Income - Gas	8,294,696	3,340,748	11,635,444
STEAM AND OTHER			
Operating Revenues (400)	23,702,645	-	23,702,645
Operating Expenses			
Operation Expenses (401)	15,735,653	-	15,735,653
Maintenance Expenses (402)	1,336,393	-	1,336,393
Depreciation Expense (403)	1,724,222	-	1,724,222
Amort. & Depl. of Utility Plant (404-405)	131,645	-	131,645
Taxes Other Than Income Taxes (408.1)	1,238,760	-	1,238,760
Income Taxes - Federal (409.1)	274,211	(620,196)	(345,985)
- Other (409.1)	5,197	(279,421)	(274,224)
Provision for Deferred Income Taxes (410.1)	904,880		904,880
(Less) Provision for Deferred Income Taxes Cr	(3,285,797)	(94,768)	
Investment Tax Credit Adj. - Net (411.4)	(3,084)	1	(3,083)
Total Operating Expenses	18,062,080	(994,384)	17,067,696
Net Operating Income - Steam and Other	5,640,565	994,384	6,634,949
Net Utility Operating Income	\$ 114,062,887	\$ 43,134,069	\$ 157,196,956

APPLICATION OF IES UTILITIES AND INTERSTATE POWER COMPANY
FOR AUTHORIZATION AND APPROVAL OF MERGER
INCOME STATEMENTS AT DECEMBER 31, 1999
AND PRO FORMA INCOME STATEMENT AT DECEMBER 31, 1999

	IES Utilities	IPC	Pro Forma
Net Utility Operating Income	\$ 114,062,887	\$ 43,134,069	\$ 157,196,956
OTHER INCOME AND DEDUCTIONS			
Other Income			
Nonutility Operating Income			
Revenues From Merchandising, Jobbing and Contract Work (415)	-	86,523	86,523
(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)	(317,114)	(44,817)	(361,931)
Revenues from Nonutility Operations (417)	19,205,756	2,917,427	22,123,183
(Less) Expenses of Nonutility Operations (417.1)	(16,630,351)	(2,689,149)	(19,319,500)
Nonoperating Rental Income (418)	-	71,693	71,693
Equity in Earnings of Subsidiary Companies (418.1)	(65)	-	(65)
Interest and Dividend Income (419)	5,745,488	463,353	6,208,841
Allowance for Other Funds Used During Construction (419.1)	1,159,436	(71,047)	1,088,389
Miscellaneous Nonoperating Income (421)	1,772,920	1,744,290	3,517,210
Gain on Disposition of Property (421.1)	32,863	2,196,669	2,229,532
TOTAL Other Income	10,968,933	4,674,942	15,643,875
Other Income Deductions			
Loss on Disposition of Property (421.2)	3,777	-	3,777
Miscellaneous Amortization (425)	929,460	-	929,460
Miscellaneous Income Deductions (426.1-426.5)	4,991,374	627,197	5,618,571
TOTAL Other Income Deductions	5,924,611	627,197	6,551,808
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS			
Taxes Other Than Income Taxes (408.2)	67,560	24,066	91,626
Income Taxes-Federal (409.2)	446,323	1,302,093	1,748,416
Income Taxes-Other (409.2)	272,363	374,460	646,823
Provision for Deferred Income Taxes (410.2)	3,530,804	-	3,530,804
(Less) Provision for Deferred Income Taxes-Cr. (411.2)	(2,300,920)	-	(2,300,920)
TOTAL Taxes on Other Income and Deductions	2,016,130	1,700,619	3,716,749
Net Other Income and Deductions	3,028,192	2,347,126	5,375,318
INTEREST CHARGES			
Interest on Long-Term Debt (427)	43,287,032	12,882,166	56,169,198
Amortization of Debt Discount and Expense (428)	606,592	152,513	759,105
Amortization of Loss on Reacquired Debt (428.1)	645,852	161,334	807,186
Interest on Debt to Associated Companies (430)	826,497	1,387,449	2,213,946
Other Interest Expense (431)	6,485,662	538,241	7,023,903
(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)	(1,206,835)	(486,298)	(1,693,133)
Net Interest Charges	50,644,800	14,635,405	65,280,205
Income Before Extraordinary Items	66,446,279	30,845,790	97,292,069
Extraordinary Items			
Net Income	\$ 66,446,279	\$ 30,845,790	\$ 97,292,069

APPLICATION OF IES UTILITIES AND INTERSTATE POWER COMPANY
FOR AUTHORIZATION AND APPROVAL OF MERGER
BALANCE SHEETS AT DECEMBER 31, 1999
AND PRO FORMA BALANCE SHEET AT DECEMBER 31, 1999

Title of Account	IES Utilities	IPC	Pro Forma Adj.	Pro Forma
UTILITY PLANT				
Utility Plant (101-106, 114)	\$ 2,599,004,191	\$ 993,524,519		\$3,592,528,710
Construction Work in Progress (107)	37,571,518	14,921,032		52,492,550
TOTAL Utility Plant	2,636,575,709	1,008,445,551		3,645,021,260
(Less) Accum. Prov. for Depr. Amort. Depl. (108,111,115)	(1,311,995,683)	(499,097,659)		(1,811,093,342)
Net Utility Plant	1,324,580,026	509,347,892		1,833,927,918
Nuclear Fuel (120.1-120.4, 120.6)	39,284,336			39,284,336
(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	-	-		-
Net Nuclear Fuel	39,284,336	-		39,284,336
Net Utility Plant	1,363,864,362	509,347,892	-	1,873,212,254
Utility Plant Adjustments (116)	-	-		-
Gas Stored Underground-Noncurrent (117)	-	-		-
OTHER PROPERTY AND INVESTMENTS				
Nonutility Property (121)	7,574,770	149,835		7,724,605
(Less) Accum. Prov. for Depr. and Amort. (122)	(2,094,383)	-		(2,094,383)
Investments in Associated Companies (123)	-	-		-
Investment in Subsidiary Companies (123.1)	14,454	-	-	14,454
Noncurrent Portion of Allowances	-	-		-
Other Investments (124)	6,104,445	6,694,247		12,798,692
Special Funds (125-128)	105,258,048	-		105,258,048
TOTAL Other Property and Investments	116,857,334	6,844,082	-	123,701,416
CURRENT AND ACCRUED ASSETS				
Cash (131)	5,673,646	2,708,511		8,382,157
Special Deposits (132-134)	12,322	1,047,973		1,060,295
Working Fund (135)	46,813	836,252		883,065
Temporary Cash Investments (136)	-	-		-
Notes Receivable (141)	1,054,858	1,304,831		2,359,689
Customer Accounts Receivable (142)	824,083	25,224,397		26,048,480
Other Accounts Receivable (143)	19,360,390	2,893,963		22,254,353
(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	(1,641,103)	(200,000)		(1,841,103)
Notes Receivable from Associated Companies (145)	-	-		-
Accounts Receivable from Assoc. Companies (146)	5,695,552	2,639,571		8,335,123
Fuel Stock (151)	12,035,676	16,613,166		28,648,842
Fuel Stock Expenses Undistributed (152)	276,181	69,356		345,537
Residuals (Elec) and Extracted Products (153)	-	-		-
Plant Materials and Operating Supplies (154)	23,488,087	5,603,554		29,091,641
Merchandise (155)	-	-		-
Other Materials and Supplies (156)	910,961	-		910,961
Nuclear Materials Held for Sale (157)	-	-		-
Allowances (158.1 and 158.2)	-	-		-
(Less) Noncurrent Portion of Allowances	-	-		-
Stores Expense Undistributed (163)	837,509	450,552		1,288,061
Gas Stored Underground-Current (164.1)	11,462,302	3,064,382		14,526,684
Liquefied Natural Gas Stored and Held for Processing (164.2-164)	-	-		-
Prepayments (165)	2,402,571	279,406		2,681,977
Advances for Gas (166-167)	-	-		-
Interest and Dividends Receivable (171)	6,166	-		6,166
Rents Receivable (172)	-	-		-
Accrued Utility Revenues (173)	14,129,676	8,044,943		22,174,619
Miscellaneous Current and Accrued Assets (174)	11,099,215	716,170		11,815,385
TOTAL Current and Accrued Assets	\$ 107,674,905	\$ 71,297,027	\$ -	\$ 178,971,932

APPLICATION OF IES UTILITIES AND INTERSTATE POWER COMPANY
FOR AUTHORIZATION AND APPROVAL OF MERGER
BALANCE SHEETS AT DECEMBER 31, 1999
AND PRO FORMA BALANCE SHEET AT DECEMBER 31, 1999

Title of Account	IES Utilities	IPC	Pro Forma Adj.	Pro Forma
DEFERRED DEBITS				
Unamortized Debt Expenses (181)	\$ 3,860,555	\$ 1,173,041		\$ 5,033,596
Extraordinary Property Losses (182.1)	-	-		-
Unrecovered Plant and Regulatory Study Costs (182.2)	13,434,011	-		13,434,011
Other Regulatory Assets (182.3)	158,923,525	89,490,392		248,413,917
Prelim. Survey and Investigation Charges (Electric) (183)	-	9,678		9,678
Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)	-	-		-
Clearing Accounts (184)	-	(2,689)		(2,689)
Temporary Facilities (185)	-	(2,407)		(2,407)
Miscellaneous Deferred Debits (186)	3,024,488	40,225		3,064,713
Def. Losses from Disposition of Utility Plt. (187)	-	-		-
Research, Devel. and Demonstration Expend. (188)	-	-		-
Unamortized Loss on Reacquired Debt (189)	4,067,554	4,220,630		8,288,184
Accumulated Deferred Income Taxes (190)	71,542,633	23,470,254		95,012,887
Unrecovered Purchased Gas Costs (191)	-	-		-
TOTAL Deferred Debits	254,852,766	118,399,124	-	373,251,890
TOTAL Assets and other Debits	\$ 1,843,249,367	\$ 705,888,125	\$ -	\$2,549,137,492

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FOR AUTHORIZATION AND APPROVAL OF MERGER
BALANCE SHEETS AT DECEMBER 31, 1999
AND PRO FORMA BALANCE SHEET AT DECEMBER 31, 1999

Title of Account	IES Utilities	IPC	Pro Forma Adj.	Pro Forma
PROPRIETARY CAPITAL				
Common Stock Issued (201)	\$ 33,426,970	\$ 34,221,012	\$ (34,221,012)	\$ 33,426,970
Preferred Stock Issued (204)	18,320,300	38,069,050		56,389,350
Capital Stock Subscribed (202, 205)	-	-		-
Stock Liability for Conversion (203, 206)	-	-		-
Premium on Capital Stock (207)	154,826,328	104,249,119		259,075,447
Other Paid-in Capital (208-211)	124,215,757	3,464,833	34,221,012	161,901,602
Installments Received on Capital Stock (212)	-	-		-
(Less) Discount on Capital Stock (213)	-	(1,679,882)		(1,679,882)
(Less) Capital Stock Expense (214)	-	-		-
Retained Earnings (215, 215.1, 216)	252,953,281	81,548,421		334,501,702
Unappropriated Undistributed Subsidiary Earnings (216.1)	-	-		-
(Less) Reacquired Capital Stock (217)	-	-		-
TOTAL Proprietary Capital	583,742,636	259,872,553	-	843,615,189
LONG-TERM DEBT				
Bonds (221)	604,496,000	173,150,000		777,646,000
(Less) Reacquired Bonds (222)	-	-		-
Advances from Associated Companies (223)	4,674,447	2,159,997		6,834,444
Other Long-Term Debt (224)	-	-		-
Unamortized Premium on Long-Term Debt (225)	-	-		-
(Less) Unamortized Discount on Long-term Debt-Debit (226)	(2,221,703)	(2,836,897)		(5,058,600)
TOTAL Long-Term Debt	606,948,744	172,473,100		779,421,844
OTHER NONCURRENT LIABILITIES				
Obligations Under Capital Leases-Noncurrent (227)	25,976,753	64,743		26,041,496
Accumulated Provision for Property Insurance (228.1)	150,000	-		150,000
Accumulated Provision for Injuries and Damages (228.2)	1,863,820	1,536,517		3,400,337
Accumulated Provision for Pensions and Benefits (228.3)	9,161,562	5,635,380		14,796,942
Accumulated Miscellaneous Operating Provisions (228.4)	8,033,650	88,282		8,121,932
Accumulated Provision for Rate Refunds (229)	-	-		-
TOTAL OTHER Noncurrent Liabilities	45,185,785	7,324,922	-	52,510,707
CURRENT AND ACCRUED LIABILITIES				
Notes Payable (231)	-	-		-
Accounts Payable (232)	40,296,972	13,318,997		53,615,969
Notes Payable to Associated Companies (233)	56,945,810	39,197,691		96,143,501
Accounts Payable to Associated Companies (234)	12,763,454	8,011,802		20,775,256
Customer Deposits (235)	1,862,140	1,511,226		3,373,366
Taxes Accrued (236)	38,252,188	13,389,784		51,641,972
Interest Accrued (237)	10,833,074	2,511,804		13,344,878
Dividends Declared (238)	228,431	598,630		827,061
Matured Long-Term Debt (239)	-	283		283
Matured Interests (240)	-	8,147		8,147
Tax Collections Payable (241)	2,826,622	777,420		3,604,042
Miscellaneous Current and Accrued Liabilities (242)	19,676,606	8,369,371		28,045,977
Obligations Under Capital Leases-Current (243)	13,307,583	13,814		13,321,397
TOTAL Current and Accrued Liabilities	\$ 196,992,880	\$ 87,708,969	\$ -	\$ 284,701,849

APPLICATION OF IES UTILITIES AND INTERSTATE POWER COMPANY
FOR AUTHORIZATION AND APPROVAL OF MERGER
BALANCE SHEETS AT DECEMBER 31, 1999
AND PRO FORMA BALANCE SHEET AT DECEMBER 31, 1999

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APPLICATION OF IES UTILITIES AND INTERSTATE POWER COMPANY
FOR AUTHORIZATION AND APPROVAL OF MERGER
STATEMENTS OF RETAINED EARNINGS AT DECEMBER 31, 1999
AND PRO FORMA STATEMENT OF RETAINED EARNINGS AT DECEMBER 31, 1999

	IES Utilities	IPC	Pro Forma
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
Balance - Beginning of Year	\$ 275,823,462	\$ 85,371,748	\$ 361,195,210
Adjustments to Retained Earnings (Account 439)			
Debit:		(767,831)	(767,831)
TOTAL Debits to Retained Earnings (Acct. 439)	-	(767,831)	(767,831)
Balance Transferred from Income (Account 433 less Account 418.1)	66,446,344	30,845,790	97,292,134
Dividends Declared-Preferred Stock (Account 437)			
4.36% \$ 2.18		(131,792)	(131,792)
4.68% \$ 2.34		(130,867)	(130,867)
7.76% \$ 3.88		(388,000)	(388,000)
6.40% \$ 3.20		(1,744,000)	(1,744,000)
6.10% Preferred Stock	(305,000)		(305,000)
4.80% Preferred Stock	(351,375)		(351,375)
4.30% Preferred Stock	(258,000)		(258,000)
Amortization of Discount on 6.40% Preferred		(86,630)	(86,630)
TOTAL Dividends Declared-Preferred Stock (Acct. 437)	(914,375)	(2,481,289)	(3,395,664)
Dividends Declared-Common Stock (Account 438)			
Common Stock	(87,950,778)	(32,558,850)	(120,509,628)
TOTAL Dividends Declared-Common Stock (Acct. 438)	(87,950,778)	(32,558,850)	(120,509,628)
Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings	(451,372)	1,138,853	687,481
Balance - End of Year	252,953,281	81,548,421	334,501,702
TOTAL Retained Earnings (Account 215, 215.1, 216)	\$ 252,953,281	\$ 81,548,421	\$ 334,501,702
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1)			
Balance - Beginning of Year (Debit or Credit)	(451,307)	1,138,853	687,546
Equity in Earnings for Year (Credit (Account 418.1)	(65)		(65)
Transfer to FERC 216	451,372	(1,138,853)	(687,481)
Balance - End of Year	\$ -	\$ -	\$ -